

**STATE OF IOWA**

THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF EDUCATION
JUDY A. JEFFREY, DIRECTOR

DATE: March 1, 2005

TO: Child and Adult Care Food Program (CACFP) Center Sponsors (CS)

FROM: Rod Bakken, CACFP Lead Consultant

SUBJECT: Household Contacts

On October 19, 2004, the Bureau of Nutrition Programs and School Transportation of the Iowa Department of Education or State Agency (SA) issued a memo (CS-2005-1) informing you about the 2nd Interim Rule published by the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS) entitled, "Child and Adult Care Food Program: Improving Management and Program Integrity" (69 FR 53501). Please refer to that memo for details about the rule.

The 2nd interim rule requires that SAs establish household contact systems for use by sponsors in their review of facilities (preamble, pp. 53512-53513; regulatory language: § 226.6(m)(3)(x) and 226.6(m)(5) [p. 53542], and § 226.16(d)(5) [p.53546]). Since memo CS-2005-1 was issued, the SA has finalized implementation procedures regarding household contacts. This change impacts your responsibilities regarding oversight of sponsored centers that participate on the Child and Adult Care Food Program (CACFP).

The purpose of this memo is to provide you with information needed to identify when a household contact is warranted, and procedures and tools to use when conducting a household contact. The household contact system must be in place at your institution by April 1, 2005.

Identification of Questionable Records

During the review of sponsored facilities or sites, CACFP center sponsors (CS) may identify records that lead them to question the validity or accuracy of meals claimed for reimbursement. In addition these concerns may arise during a State Agency review of the facility or sponsor. Certain information can best be verified by contacting the parents or guardians of children claimed for meal reimbursement. Circumstances under which households shall be contacted include, but are not limited to:

1. Income eligibility forms that appear to have information that is not authentic (was not submitted by the household) and perhaps completed or altered by sponsored center personnel.
2. A block claim for any month in combination with two or more of the following factors:
 - a. Parents don't generally sign children in and out.
 - b. The average daily attendance (ADA)* during the pervious month is not reasonable compared to the number of children observed in attendance the day of the most recent facility review.

Grimes State Office Building - Des Moines, Iowa 50319-0146

PHONE (515) 281-5294 FAX (515) 242-5988

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- c. There is a discrepancy identified when comparing attendance, enrollments and meals counts (for one breakfast, lunch, supper or snack) for five days during the most recent facility review.
- d. Other factors identified and determined to be relevant based on reviewer discretion.

Center sponsors may conduct household contacts for any reason if they believe it is necessary to verify the accuracy of CACFP claim information submitted by a sponsored center.

Procedures:

1. When a center sponsor identifies the factors, as described above, a household contact must be made within 60 days of discovery of the factor(s) that triggered the household contact.
2. Households may be contacted to verify information over the phone or in writing.
3. The investigation should include at a minimum, the names of children, dates and meals in question.
4. The scope of the verification may be expanded beyond the minimum at the sponsor's discretion.
5. Suggested forms are attached.
6. If questionable information is identified during the SA review of a sponsored facility, the SA may require the sponsor to conduct household contacts.

Follow Up Procedures:

1. If it is determined that meals were claimed for children that were not in attendance or were not enrolled, those meals must not be included in the claim for reimbursement.
2. If the claim has already been submitted for that site, the sponsor must submit a revised claim that excludes the unsubstantiated meals.
3. If children were claimed for reimbursement at an incorrect benefit level (free, reduced or paid) based on inauthentic income information, revised claims should be submitted back to first of the month when the invalid information was applied. The information must also be corrected for the current month forward. Upward adjustments may only be made a maximum of 90 days after the end of the claim month.
4. If information is verified as correct, no further action is needed.
5. The outcome of all household contacts must be documented in writing.

Records Retention:

As with all CACFP records, household contact documentation must be kept for three years after the current fiscal year.

If you have questions pertaining to this memo, please contact Rod Bakken at (515) 281-4760 or Robin Searles at (515) 281-3484.

Attachments:

Attachment 1—Sample Cover Letter and Verification Form
Attachment 2—Tracking/Phone Contact Form

*ADA is calculated by dividing the total attendance for the month by the number of days that meals were served.